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News Release

Covad and SBC to Deliver Broadband Nationwide

**\$600 Million Contract Struck Over Six Years;
SBC Plans to Invest \$150 million in Covad;
Various Legal Issues Settled**

Santa Clara, California, and San Antonio, Texas, September 11, 2000

Covad Communications (NASDAQ: COVD) and SBC Communications Inc. (NYSE: SBC) today announced an agreement making Covad an in-region and out-of-region DSL provider for SBC.

SBC also announced plans to invest \$150 million to acquire a stake in Covad at current market prices.

In addition, the companies said that several pending antitrust and regulatory legal issues were settled and terms were established regarding unbundled network element pricing, line sharing, provisioning, operational support system (OSS) development, remote terminal access and other proceedings.

"This changes the market dynamics and demonstrates that customer demand for broadband is so strong that two industry leaders can set aside past disputes and cooperate to deliver DSL faster and to a wider range of customers," said Robert E. Knowling, Jr., chairman, CEO and president of Covad. "This deal is the Telecom Act in action, proving that it works."

Everyone wins here, especially customers who are waiting to experience high speed Internet access. We welcome working closely with SBC."

"We are very pleased to strategically align ourselves with Covad in this rapidly growing sector of the industry," said Edward E. Whitacre Jr., chairman and CEO of SBC Communications. "Although we will continue to be vigorous competitors, this agreement allows us to work together to fulfill the exploding demand for broadband for both businesses and consumers nationwide."

The commercial agreement includes a guaranteed \$600 million in resale revenue to Covad which will be phased in over six years starting October 1, 2000. The agreement also provides incentives for SBC to sell business lines provided by Covad. SBC will begin marketing both symmetric business service DSL and asymmetric consumer service DSL provided by Covad throughout the US. The companies will work together on network, provisioning and product planning activities needed to support this agreement.

SBC also announced plans to take a minority ownership position in Covad, pending regulatory approval. SBC would acquire an ownership interest position approximately equivalent to six percent. This investment would increase Covad's cash balance to continue the rapid deployment of its service across a nationwide broadband network that is nearing completion.

Regarding pending legal matters, Covad's antitrust suit against SBC and Pacific Bell and Covad's arbitrations against SBC affiliates Southwestern Bell and Pacific Bell were settled, including Pacific Bell's claim for alleged past due service fees. In addition, the parties resolved several critical issues in line-sharing disputes in Texas, Kansas, Illinois, Michigan, Ohio, Wisconsin, Indiana, Connecticut, and California, plus key issues in pending interconnection arbitrations in Texas and Kansas. Further, performance standards in all 13

Standards for SBC performance were agreed upon so that both companies will operate under a standard set of measures and remedies in all SBC states, which include California, Nevada, Texas, Oklahoma, Arkansas, Kansas, Missouri, Ohio, Indiana, Michigan, Wisconsin, Illinois and part of Connecticut (SNET territory.) These standards include stand-alone and line-shared loop provisioning intervals, collocation intervals, repair and maintenance, and access to loop plant data. In addition, the parties agreed upon a 12-state, line-sharing price consisting of a \$10 non-recurring charge and a \$6.75 monthly recurring charge for all physical elements of the line-sharing UNE, including installation.

SBC and Covad also agreed to continue joint OSS development to support SBC's resale of Covad products, including the fully automatic loop ordering provisioning process pioneered by Covad. By working closely with SBC to integrate both companies' OSS systems, Covad intends to simplify the ordering process and improve DSL provisioning times. Covad's OSS system currently is integrated with Pacific Bell and has shown improved installation rates of 25 percent and higher.

In region agreements also include continued access to neighborhood gateways utilized in the recently announced Project Pronto, competitively neutral terms and conditions for spectrum management and agreements regarding the collocation of equipment in SBC central offices.

Nothing in the agreements announced today would hinder or prohibit SBC and Covad from competing against one another in any market.

SBC will continue to provide DSL services in-region primarily through its affiliate, Advanced Solutions, Inc.

About SBC

SBC Communications Inc. (www.sbc.com) is a global communications leader. Through its subsidiaries' trusted brands - Southwestern Bell, AmeriLock, Pacific Bell, SBC Telecom, Nevada Bell, SNET and Cellular One - and world-class network, SBC's subsidiaries provide local and long-distance phone service, wireless and data communications, paging, high-speed Internet access and messaging, cable and satellite television, security services and telecommunications equipment, as well as directory advertising and publishing. In the United States, the company currently has 61.2 million access lines, 12.2 million wireless customers and is undertaking a national expansion program that will bring SBC service to an additional 30 markets. Internationally, SBC has telecommunications investments in more than 20 countries. With approximately 219,000 employees, SBC is the 13th-largest employer in the U.S., with annual revenues that rank it among the largest Fortune 500 companies.

About Covad

Covad is the leading national broadband services provider of high-speed Internet and network access utilizing Digital Subscriber Line (DSL) technology. It offers DSL, IP and dial-up services through Internet Service Providers, telecommunications carriers, enterprises, affinity groups, PC OEMs and ASPs to small and medium-sized businesses and home users. Covad services are currently available across the United States in 98 of the top Metropolitan Statistical Areas (MSAs). By the end of 2000, Covad services are expected to be available in 103 MSAs (which includes MSAs that will be added as a result of the acquisition of BlueStar Communications). At that time Covad's network is targeted to reach more than 48 percent of all US homes and 88 percent of all US businesses. Corporate headquarters is located at 4260 Burton Drive, Santa Clara, CA 95054. Telephone: 1-888-80-COVAD. Web Site: www.covad.com.

Covad Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995 The statements contained in this release which are not historical facts may be deemed to contain forward-looking statements, including but not limited to statements regarding the intention to deploy our network in new and existing MSAs, the timing and breadth of coverage in each MSA, and our ability to provide high-quality, month-rich content. Actual results may differ materially from those anticipated in any forward-looking statements as a result of certain risks and uncertainties, including, without limitation, the company's dependence on broadband local exchange carriers for collocation, unbundled network elements, transport and other facilities, development of necessary technologies and operations, ability to manage growth of our operations, and the need to raise additional capital. For other risks and uncertainties applicable to our business refer to the Company's Securities and Exchange Commission filings.

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SBC Cuts Price of DSL Internet Service

Aggressive pricing will enable more consumers and businesses to experience high-speed, "always-on" Internet service, and accelerate broadband subscriber growth

San Antonio, Texas, February 14, 2000

SBC Internet Services (SBCIS), a subsidiary of SBC Communications Inc. (NYSE: SBC), is accelerating mass-market penetration of broadband DSL service by making high-speed Internet access even more affordable. SBCIS will offer its Basic DSL Internet service for just \$39.95 a month with free equipment and installation, saving customers more than \$300. The promotion is available through April 30 to new and existing SBCIS customers. Digital Subscriber Line (DSL) technology turbo charges the Internet experience, enabling members to enjoy the company's award-winning Internet service while surfing the Internet at speeds up to 50 times faster than a standard dial-up modem.

- In the Pacific Bell, Southwestern Bell, Nevada Bell and SNET regions, SBCIS will offer Basic DSL Internet service, which provides downstream connection speeds up to 1.5 megabits per second (Mbps) and a 128 kilobits per second (Kbps) upstream connection speed. Subscribers are currently guaranteed a minimum downstream connection speed of 384 Kbps.
- In the Ameritech region, the promotion includes SpeedPath 768 service, which provides downstream connection speeds up to 768 Kbps and an upstream connection speed of 128 Kbps.
- In addition, SBCIS will waive equipment (excluding routers) and installation charges for customers who wish to receive Premium DSL Internet service in Pacific Bell, SNET, Southwestern and Nevada Bell regions, and SpeedPath 768 Office, SpeedPath 768 Office Plus and SpeedPath 1500 Office Plus in the Ameritech region. Equipment covered through the promotion includes a DSL modem, a network interface card and splitter. The equipment package regularly costs \$199.

"This is great news for our customers," said Valeri Marks, president and CEO of SBCIS. "The attractive pricing and free installation and equipment will enable even more consumers and businesses to experience the benefits of our lightning-fast, always-on DSL Internet service, and will significantly accelerate our subscriber growth." With SBC's \$6 billion Project Pronto initiative progressing rapidly, more than 12 million homes and businesses can now receive DSL service. In February alone, SBC's subsidiaries have launched DSL service in approximately 60 new markets, and will add 300 additional markets by year-end. At its current pace, SBC expects to exceed its initial goal of 18 million DSL-eligible homes and business at the end of 2000, and by 2002, Project Pronto will make DSL service available to 80 percent of SBC's customers.

"We're quickly creating a vast, sophisticated broadband network that's unrivaled in terms of customers reached and access speeds," said James D. Gallimore, executive vice president of strategic marketing for SBC. "SBC is putting 77 million Americans within reach of DSL service, and in the process, we're dramatically increasing service speeds to ensure we provide customers with a better value than any other broadband provider."

The initiative is expected to make SBC America's largest single broadband provider. SBC is already the nation's leading DSL provider with 189,000 DSL lines sold through the end of 1999.

...the phone line running from customers' homes to the DSL-equipped central office must be no longer than 3.3 miles, and must meet certain transmission criteria. SBC's Project Pronto will virtually eliminate this distance limitation and dramatically increase service speeds by using fiber and neighborhood broadband gateways to move capabilities now housed in central offices closer to customers.

Unlike traditional dial-up Internet access, DSL is an "always-on" service that allows customers to instantly connect to the Internet without the frustrations of busy signals or waiting for the modem to dial-up. DSL enables a variety of applications, including streaming video and audio, distance learning and interactive online gaming.

DSL service uses the same copper phone lines that run into almost every home and office, and enables customers to be on the phone and Internet simultaneously. Subscribers receive a dedicated connection to their central office, which results in consistent service speeds.

Customers can learn more about DSL, determine if they qualify for service and place an order by visiting one of the various Web sites.

- www.sbcnet.com in the Southwestern Bell region;
- www.pacbell.com in the Pacific Bell region; and
- www.ameritech.com in the Ameritech region.

Or, customers may call the following numbers:

Southwestern Bell.....1-888-2DS-LESS
Pacific Bell.....1-888-864-ADSL
Nevada Bell.....1-775-888-7200
Ameritech.....1-800-810-4388
SNET.....1-877-888-8DSL

SBC Communications Inc. (www.sbc.com) is a global communications leader. Through its subsidiaries - Southwestern Bell, Ameritech, Pacific Bell, SBC Telecom, Nevada Bell, SNET and Cellular One - and world-class network, SBC provides local and long-distance phone service, wireless and data communications, paging, high-speed Internet access and messaging, cable and satellite television, security services and telecommunications equipment, as well as directory advertising and publishing. In the United States, the company currently has 90.4 million voice grade equivalent lines, 11.2 million wireless customers and is undertaking a national expansion program that will bring SBC service to an additional 30 markets. Internationally, SBC has telecommunications investments in 23 countries. With more than 204,000 employees, SBC is the 13th largest employer in the U.S., with annual revenue that rank it among the largest Fortune 500 companies.

SBC Internet Services, which includes Pacific Bell Internet Services, Nevada Bell Internet Services, Southwestern Bell Internet Services and SNET Internet, is among the top three Internet service providers in its respective regions, offering a broad range of high-quality, affordable and reliable Internet access and Web hosting services to more than 850,000 business and residential customers.

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AMERITECH RELEASE: Aug 29, 2000

Ameritech Launches Line-Sharing & Self-Install DSL Kit, Greatly Increasing Its Broadband Installation Capacity

Ameritech Advanced Data Services today announced a DSL self-install kit that will make it easier, faster and more convenient for customers to experience the benefits of high-speed Internet access.

The self-install option is available to DSL customers and ISPs in most areas where DSL service currently is available. The kit also will be available in each new market as DSL service becomes available. The company expects a significant percent of new DSL subscribers to choose the self-install option, allowing the company to dramatically increase the number of DSL lines it can activate each day.

"Customer self-install is an important milestone in meeting customer demand for high-speed DSL service," said Cliff Agee, the company's vice president of operations. "The kit is designed to bring DSL to the customer faster and in a more convenient way."

The launch of line-sharing technology in the majority of Ameritech's central offices is enabling the introduction of the self-install kits. Line-sharing technology allows a customer to use the same phone line for voice and data services, potentially eliminating the need for technician visits to install, condition and pre-test an additional phone line.

Self-install customers will get service due dates that are dependent only on the DSL service activation date*. Customers will receive the self-install kit - containing a DSL modem, filters, software, an instruction manual and a network interface card, if needed - through the mail. Installation will typically take customers less than an hour, and technical support is available seven days a week from a toll-free help desk.

Customers will insert special filters into phone jacks that support analog phones and fax machines to filter out the DSL signal. The filters eliminate the need to install a splitter at the customer's location, and enable customers to simultaneously surf the Internet and talk on the phone using a single phone line. It also allows customers to easily move their computer and DSL equipment to other rooms within their homes.

The DSL self-install kit is initially available for the Windows 95 and 98 operating systems. Later this year, Ameritech Advanced Data Services plans to make the

self-install option available for the Windows 2000, Windows NT, Macintosh, and Linux operating systems.

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DSL self-install will further take full advantage of Ameritech's parent company SBC Communications Inc.'s \$6 billion Project Pronto initiative. Project Pronto will make DSL service available to more than 80 percent of SBC's customers by 2002. The initiative will also virtually eliminate distance limitations associated with today's DSL service and dramatically increase DSL speeds.

With the introduction of line-sharing and customer self-install, Ameritech.net is now offering a special broadband promotion with Prodigy Communications Corporation that will provide customers with a new computer and DSL Internet Service. For \$59.95** per month for 28 months, qualifying customers can receive Ameritech.net's SpeedPath 768 DSL Internet Service with Prodigy and a customized DSL-equipped Compaq Presario computer valued at more than \$1,000. Payments will not start until January of 2001.

The PC promotion, which runs through October 31, 2000, includes a DSL-ready Compaq Presario computer with the following features:

- 566+ MHz Intel Celeron Processor
- 64 MB SDRAM Memory
- 10.0GB Ultra DMA Hard Drive
- Texas Instruments internal 6.0Mb Digital DSL Modem
- 40x CD-ROM drive
- 15" Color Monitor
- JBL ProAmplified Speakers
- Embedded Audio (SoundBlaster compatible) and embedded Graphics
- Complete software package
- USB Ports

Customers can learn more about self-install DSL, determine if they qualify for Ameritech.net service and place an order by calling 800.910.4369 or by visiting www.ameritech.net.

* Service not available in some areas due to factors such as distance from the central office, alarm systems or line conditions.

** The promotion requires a 28-month term commitment, and substantial early termination charges apply. Shipping and handling charges of \$89 are additional. To qualify for this offer, customers must have a good payment history. GSP charges are included in package price but due separately beginning with first month of service.

Ameritech is the premier provider of communications services in the Upper Midwest, with nearly 20 million